

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: May 13, 2003

SUBJECT: Fiscal Impact Statement: "Health Care and Community
Residence Facility, Hospice and Home Care Licensure
Amendment Act of 2003"

REFERENCE: Draft Legislation – Bill Number Not Available

Conclusion

Funds are sufficient in the FY 2003 through FY 2006 budget and financial plan to implement the proposed regulations because the requirements could be met with existing resources. The proposed regulations could increase General Fund revenue approximately \$25,000 per year through the collection of fines.

Background

The proposed regulations would make violations of the regulations of licensure and inspection of health care facilities and operating standards for community residence facilities subject to the civil infractions fine schedule. Depending upon the class and number infractions, Department of Health fines range from \$26 to \$10,400 according to the January 1, 2003 adjustment to the civil infraction fine schedule.

The proposed regulations add three offenses to the Class 1 infractions, with fines ranging from \$1,300 for one offense to \$10,400 for the fourth or subsequent offense. It also would repeal two and add six Class 2 infractions, with fines ranging from \$650 for the first offense to \$5,200 for the fourth or subsequent offense. In addition, the proposed regulations would add 30 Class 3 infractions, with fines ranging from \$130 for the first offense to \$1,040 for the fourth or subsequent offense.

Financial Plan Impact

Funds are sufficient in the FY 2003 through FY 2006 budget and financial plan to implement the proposed regulations and could increase General Fund revenue approximately \$25,000 per year through the collection of fines. According to the Department of Health, existing staff currently inspect and cite the affected violations that are currently on the fine schedule and any incremental increase in responsibility and cost created by the addition of the proposed provisions would be more than offset by the fines that are collected for the violations.